

Subject Special TIF authority for Duluth

Authors Olson, L., and Kozlowski

Analyst Justin Cope

Date March 6, 2023

Overview

This bill specifies an area where Duluth would be allowed to establish redevelopment districts operating under special rules exempting the districts from certain general law requirements.

Summary

Section Description

1 City of Duluth; tax increment financing district; special rules.

Subd. 1. Establishment. Allows Duluth to establish redevelopment districts in specified parcels and allows the districts to follow the special rules in subdivision 2.

Subd. 2. Special rules.

- Exempts the districts from the general law requirement that redevelopment districts only be established in blighted areas;
- exempts the districts from the general law requirement that 90 percent of TIF revenue from redevelopment districts be used to correct blight;
- exempts the districts from the prohibition on using increment either for public parks or for facilities used for social, recreational, or conference purposes;
- exempts the districts from the prohibition on an authority's acquiring more than 25 percent of the acreage in a project using TIF bonds proceeds when the property's increment is pledged to pay off the bonds;
- exempts the district from limitations on spending increment outside of the district;
- exempts the districts from rules requiring that in-district development debt be undertaken within five years of certification of the original net tax capacity; and

Section	Description
---------	-------------

- exempts the districts from rules requiring that, at the expiration of the five-year rule period, the in-district percentage of increment be spent on paying down in-district development debt.

Subd. 3. Expiration. Expires the special rules under subdivision 2 on December 31, 2051, and requires that unspent or unobligated increment thereafter be spent to pay off in-district development debt.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155